

STATEMENT LAID ON THE TABLE.

Rama Varmha Tampuran (*Finance Member*):

Sir,

Under Rule 58 of the Legislative Council Rules, I beg to place the following statement of expenditure authorised by Government under Section 28, 1 (c) of the Government of Cochin Act, 1113.

Serial No.	Head of Account	Amount Rs.	Explanation
1	15 General Administration 4. Legislative Council T. A.	750	The provision under the head was found insufficient and hence additional allotment had to be sanctioned urgently.

PRESENTATION OF THE BUDGET FOR 1114 M. E.

Rama Varmha Tampuran (*Finance Member*): Sir,

Under section 28 of the Government of Cochin Act of 1113 it is the duty of the Finance Member to place before the House the "Annual Financial Statement" of the coming year. I rise to carry out that task.

Before entering on it let me however draw the attention of the Hon'ble Members to a few of the significant changes that have been introduced into the preparation of the Budget as a result of the provisions of the new Act.

3. For one thing a thorough revision has been made in the list of the officers whose salary is to be non-votable. From the notification under section 28 of the Act giving the list of the officers whose salary is non-votable the Hon'ble Members would find that the new list is very much shorter than the older one. In most of the Departments only the salary of the Head of the Department and his immediate subordinates is classified as a non-votable item of expenditure.

4. There have been changes in the classification of expenditure as regards certain service heads as well. The following service heads which till now used to be kept non-votable have been made votable.

APPENDIX
MEMORANDUM
 EXPLAINING
THE DETAILS OF THE BUDGET ESTIMATES
OF 1114.

INTRODUCTORY.

The budget estimates can be grouped under the following main divisions:—

- i. Receipts (Ordinary).
- ii. Disbursements (Ordinary).
- iii. Debt heads.
- iv. Remittances.

The first group deals with the income of the Government whether it be from special taxation or otherwise and the second deals with the expenditure chargeable to it. The third division comprises receipts and expenditure on account of deposits, loans and advances—receipts representing a liability and payments asset. With regard to these the position of the Government is largely analogous to that of a banker. Under the last group appears all cash remittances from one treasury or bank to another, as also those which are necessitated by the system of exchange account in force between this Government and other Governments and the adjustment of certain departmental transactions before they are finally entered in the accounts.

2. Along with the budget estimates of next year are shown the budget and revised estimates of the current year and the actuals of the last year 1112.

3. For facility of reference and to show the progress in the income and expenditure of the State for the last decade two statements covering the last 10 years beginning from 1102 are given below:—

STATEMENT No. 1.

Year	Receipts Rs. lakhs	Disbursements Rs. lakhs	Surplus or deficit Rs. lakhs
1102	75.38	66.91	8.47
1103	86.24	67.14	19.10
1104	91.12	73.44	17.68
1105	93.67	83.33	10.34
1106	70.17	80.83	—10.66
1107	89.37	82.97	6.40
1108	105.57	82.29	23.28
1109	75.33	90.43	—15.10
1110	97.41	96.83	.58
1111	99.48	100.44	— .96
1112	101.02	102.17	— 1.15

STATEMENT No. 2.

A.

RECEIPTS.

Heads of receipt	1102 lakhs Rs.	1103 lakhs Rs.	1104 lakhs Rs.	1105 lakhs Rs.	1106 lakhs Rs.	1107 lakhs Rs.	1108 lakhs Rs.	1109 lakhs Rs.	1110 lakhs Rs.	1111 lakhs Rs.	1112 lakhs Rs.
Lad Revenue ..	12'30	12'32	12'64	12'50	12'25	12'23	12'21	10'16	11'43	10'60	12'24
Excise*	18'54	20'47	22'11	24'28	20'43	19'28	19'58	19'98	17'68	21'99	22'61
Customs ..	9'23	15'43	14'44	15'89	..	17'49	32'88	2'78	19'09	20'10	19'00
Stamps ..	6'34	6'94	6'49	6'19	5'95	6'61	6'65	6'44	6'14	5'82	5'96
Forests ..	5'89	4'85	6'75	6'21	3'07	3'43	2'97	3'29	3'51	3'74	4'12
Profits from Capital outlay	12'14	13'20	14'38	14'07	13'41	14'36	16'65	15'66	17'39	18'35	17'36
Income-tax ..	..	..	..	..	..	..	..	..	2'71	3'29	3'72
Other receipts ..	10'94	13'03	14'31	14'53	15'06	15'97	14'63	17'02	19'46	15'59	16'01
Total ..	75'38	86'24	91'12	93'67	70'17	89'37	105'57	75'33	97'41	99'48	101'02

*Excise includes 'Salt', 'Abkari', and 'Ganja', 'Opium' 'Tobacco' and 'Matches'.

B.

DISBURSEMENTS.

Heads of expenditure	1102 lakhs Rs.	1103 lakhs Rs.	1104 lakhs Rs.	1105 lakhs Rs.	1106 lakhs Rs.	1107 lakhs Rs.	1108 lakhs Rs.	1109 lakhs Rs.	1110 lakhs Rs.	1111 lakhs Rs.	1112 lakhs Rs.
Land Revenue ..	2'35	2'31	2'40	2'49	2'89	2'97	2'87	2'93	3'02	3'12	3'11
Agriculture ..	2'27	2'74	2'78	3'43	4'09	4'08	3'48	1'46	1'58	1'63	1'62
Panchayats ..	..	..	..	..	..	..	..	2'04	2'11	2'18	2'14
Palace ..	5'00	5'00	5'00	5'00	5'00	5'00	4'58	4'58	6'00	6'95	6'95
Subsidy ..	2'00	2'00	2'00	2'00	2'00	2'00	2'00	2'00	2'00	2'00	2'00
Excise including Customs, etc.	2'84	2'75	2'89	2'73	2'21	1'18	1'25	1'20	1'17	1'23	2'01
Forests ..	1'85	1'43	3'17	3'15	3'59	2'22	1'64	2'24	2'55	2'58	2'52
Tramway ..	1'24	1'24	1'12	1'25	1'30	1'25	7'9	9'8	1'76	1'60	1'81
General Administration ..	1'09	1'07	1'14	1'17	1'57	1'41	1'28	1'81	1'86	2'53	2'08
Law and Justice ..	2'45	2'45	2'51	2'56	2'86	3'02	2'63	2'80	2'92	3'07	3'01
Police ..	1'93	1'99	1'87	1'90	2'20	2'15	2'00	2'16	2'26	2'35	2'27
Education ..	12'17	12'79	12'68	13'28	14'03	15'45	15'35	16'21	16'94	18'33	18'28
Religious and Charities ..	88	89	1'32	94	82	92	90	81	79	89	94
Medical ..	3'36	3'62	3'71	3'99	4'63	4'89	5'17	4'46	4'56	4'67	4'77
Public Health ..	..	..	..	..	..	..	..	1'18	1'72	1'71	1'46
Pension and Gratuity ..	1'62	1'65	1'90	2'16	2'58	3'08	3'41	3'22	3'83	3'78	3'86
Public Works ..	12'26	10'50	12'30	19'00	15'86	14'04	15'07	13'57	12'75	13'02	14'33
Railway ..	7'44	7'79	8'83	7'85	8'65	9'05	9'25	9'53	11'08	12'43	11'66
Military ..	92	93	1'01	1'00	1'19	1'13	1'21	1'27	1'22	1'29	1'16
Scientific, etc. Departments ..	91	92	1'21	1'59	1'47	1'40	1'31	1'52	1'91	1'16	1'30
Other items of expenditure ..	4'33	5'07	5'60	7'84	5'89	7'73	8'10	14'46	14'80	15'24	15'89
Total service heads ..	66'01	67'14	73'41	83'33	80'83	82'97	82'29	90'43	96'83	100'44	102'17

4. Also for purposes of facility of comparison with the corresponding figures of last year the changes effected in classification of certain items of receipts and expenditure for reasons of administrative convenience are tabulated in the form of an appendix to this memorandum.

ACCOUNTS OF 1112.

5. The total revenue and expenditure in the closed accounts of the year 1112 as compared with the budget and revised estimates of that year stood as follows.—

(In lakhs of rupees.)

Particulars	Budget estimate 1112	Revised estimate 1112	Actuals 1112
	Rs.	Rs.	Rs.
Total Revenue	101.40	99.88	101.02
Total Expenditure	100.94	103.41	102.17
Surplus or deficit	.46	—3.53	—1.15

At the time of the preparation of the budget, the revenue transactions of the year 1112 were expected to result in a small surplus of Rs. .46 lakh the revenue and expenditure anticipated having been Rs. 101.40 lakhs and Rs. 100.94 lakhs respectively. According to the revised estimates, it was anticipated that there would be a decrease in revenue of Rs. 1.52 lakhs and the expenditure was expected to record a rise of Rs. 2.47 lakhs thus resulting in a deficit of Rs. 3.53 lakhs. The actual transactions of the year, however, resulted only in a small deficit of Rs. 1.15 lakhs.

RECEIPTS.

6. The important variations in the actuals, as compared with the budget estimates are detailed in the sub-joined table.

(Receipts—In lakhs of rupees)

Major head	Budget estimate 1112	Actuals 1112	Increase	Decrease	Reasons
Salt	4.79	5.46	.67	...	Due to increased consumption of salt
Stamps	5.54	5.96	.42	...	Due to increased sale of stamp papers, etc.
Customs	20.25	19.00	...	1.25	Actual revenue under the Port Agreement
Abkari and Ganja	10.00	10.24	.24	...	Actual rentals
Matches	2.51	2.18	...	.33	Due to fall in the sale of banderols
Tobacco	3.62	3.46	...	.16	Actual rentals
Forests	3.58	4.12	.54	...	Due to increased sale of timber
Tramway	1.49	1.06	...	.43	Due to the reduction in the volume of transport of timber
Interest	2.23	2.08	...	.15	Actual realised
Education	3.65	3.77	.12	...	Due to increase in fee income
Public Works	3.32	3.81	.49	...	Actual realised
Railway	18.00	16.60	...	1.40	Fall in Railway earnings
Income-tax	3.10	3.72	.62	...	Improvement in economic condition and enhancement of the rate of tax on certain incomes
Profits from Capital outlay other than Railway	1.01	.76	...	.25	Due to lesser sales in Potteries

DISBURSEMENTS.

7. The total expenditure as provided in the budget was Rs. 100.94 lakhs; the actuals, however, show that the aggregate expenditure came to Rs. 102.17 lakhs which, compared with the budget, showed a large increase of Rs. 1.23 lakhs. The noticeable increases and decreases appear under the following heads:—

(In lakhs of rupees)

Heads	Budget estimate 1112	Actuals 1112	Increase Rs	Decrease Rs.	Explanation
Panchayats	2.39	2.14	...	.25	Due to savings under 'Works'
Matches	2.00	2.02	.02	...	Actual expenditure
Tramway	1.60	.81	...	.79	Due to reduced capital expenditure
Forests	2.69	2.52	...	.17	Due to increase in collection, etc., of timber
General Administration	2.01	2.08	.07	...	Due to contribution made to Land Mortgage Bank and partly due to increased expenditure under Legislative Council Travelling allowance
Education	18.03	18.28	.25	...	Due to larger expenditure under grant-in-aid
Medical	4.38	4.77	...	.11	Actual requirement
Pension and Gratuity	3.74	3.86	.12	...	

Heads	Budget estimate 1112	Actuals 1112	Increase Rs.	Decrease Rs.	Explanation
Public Works	12'95	14'33	1'38	...	Due to larger expenditure under 'Works'
Railway	12'00	11'66	...	'34	Due to reduction in expenditure in the maintenance of the line corresponding to a fall in the earnings
Interest	4'54	4'46	...	'08	Actual requirement
Income-tax	'41	'66	'25	...	Due to larger refunds
State conveyances	'78	'83	'05	...	Actual requirement
Miscellaneous	'71	1'14	'43	...	Due to larger expenditure under 'Subscriptions and donations', 'entertainment of State guests', for expenditure in connection with the opening of the Harbour, etc.

REVISED ESTIMATES OF 1113.

8. The following statement shows the Revenue and Expenditure for the current year according to the revised calculations now made on the basis of the actuals and other information so far known.

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(In lakhs of rupees.)

	Budget 1113	Revised 1113	Increase Rs.	Decrease Rs.
Total Revenue ...	100.58	98.64	..	1.94
Expenditure charged to revenue ..	98.77	101.35	2.58	
Surplus or deficit ..	+ 1.81	- 2.71	..	..

REVENUE.

9. The revised estimate for the current year shows a small decrease of Rs. 1.94 lakhs as compared with the budget estimates.

A statement showing the variations between the budget and revised estimates under the several heads is subjoined.

(In lakhs of rupees.)

	Budget 1113	Revised 1113	Increase	Decrease
Salt ..	5.08	4.79	..	.29
Stamps ..	5.78	5.68	..	.10
Customs ..	20.00	13.47	..	6.53
Matches ..	2.26	2.10	..	.16
Interest ...	1.95	1.47	..	.48
Public Health ..	.33	.47	.14	..
Public Works ..	3.39	3.49	.10	..
Railway ..	18.50	16.70	..	1.80
Profits from Capital outlay other than Railway ...	.78	4.13	3.35	..
Income-tax ..	3.55	6.60	3.05	..

Salt.—The actual receipt from salt is expected to record a decrease of Rs. 29 lakh from the budget estimate of Rs. 5.08 lakhs.

Stamps.—As compared with the budget estimate of Rs. 5.78 lakhs the revised estimate shows a decrease of Rs. 9,800 on account of the fall in the sale of stamp papers.

Customs.—The decrease in revenue, Rs. 6.53 lakhs, represents the difference in the actual customs revenue receipt for 1936—1937 under the revised Cochin Harbour Agreement as compared with what was anticipated in the Budget, viz., Rs. 20 lakhs.

Matches.—The slight fall in receipt, viz., Rs. 16 lakh as compared with the budget estimate of Rs. 2.26 lakhs is to be accounted for by the closing of a few factories.

Interest.—The larger withdrawal of investments than anticipated has led to a fall in the income under 'Interest' from the budget estimate of Rs. 1.95 lakhs by Rs. 48 lakh.

Public Works.—An increase of Rs. 10 lakh is anticipated over the budget estimate of Rs. 3.39 lakhs mainly on account of the enhanced receipts expected from 'Ferries' and from the sale of buildings and unserviceable materials.

Railway.—On account of the fall in Railway earnings the revised estimate is fixed at Rs. 16.71 lakhs only as against the budget estimate of Rs. 18 lakhs.

Profits from Capital Outlay.—A sum of Rs. 3.37 lakhs was received from the Port authorities towards royalty on the Reclamation grounds. This mainly accounts for the increase in the revised estimate (Rs. 4.13 lakhs) as compared with the budget estimate of Rs. 78 lakh.

Income Tax.—Collection of current as well as arrears of tax on account of assessment of a certain class of incomes from petrol companies, etc., which had hitherto escaped assessment is expected to yield an increase of Rs. 3.05 lakhs over the budget estimate of Rs. 3.55 lakhs.

Public Health.—On account of the levy of the fees for cynogassing in connection with the anti-plague campaign in Matttancheri it is expected that there would be an increase of Rs. 14 lakh under 'Public Health' over the budget estimate of Rs. 34 lakh.

EXPENDITURE.

10. The revised estimates for the current year show an increase of about Rs. 2.58 lakhs over the budget (Rs. 98.77 lakhs) framed in Karkadagam last. The sub-joined statement shows the large variations in the revised estimates under the several heads as compared with the budget estimates:—

(Rupees in lakhs).

Heads	Budget estimate 1113	Revised estimate 1113	Increase Rs.	Decrease Rs.
Agriculture	1.60	1.50	..	.10
Forest and Tramway	3.42	3.51	.09	
General Administration	1.87	1.94	.07	
Accounts and Finance	.62	.69	.07	
Medical	5.02	4.32	...	.20
Public Health	1.46	1.56	.10	
Pension & Gratuity	3.81	4.14	.33	
Public Works	11.68	12.91	1.23	
Interest	4.80	4.90	.10	
Miscellaneous	.71	1.14	.43	

Forest and Tramway.—The revised estimate shows an increase of Rs. .09 lakh over the budget estimate of Rs. 3.42 lakhs mainly on account of new Capital works. Capital expenditure to the extent of Rs. .12 lakh is to be incurred under 'construction, bridges' against Rs. 1,500 proposed in the budget. Owing to the amalgamation of the department with the Forest Department there will be savings under maintenance expenditure, but the full effects of the amalgamation will be realised only from 1114.

General Administration.—There is an increase of about Rs. .07 lakh in the revised estimate over the budget estimate of Rs. 1.87 lakhs. This is mainly accounted for by the increase under 'Huzur-Salaries' and 'Miscellaneous'—the latter on account of expenses connected with the recent election, etc.

Accounts and Finance.—The increase of Rs. '07 lakh noticed in the revised estimate over the budget estimate of Rs. '62 lakh is mainly on account of increased leave allowance of the gazetted officers of the department, the creation of temporary establishments to clear off arrears in local audit, and of the shifting of the office from Ramavarmapuram to Trichur.

Public Health.—As compared with the budget estimate of Rs. 1'4 lakhs an increase of Rs. '10 lakh is noticed in the revised estimate due to the increased expenditure under 'Charges for prevention of epidemics' consequent on the anti-plague operations carried out in Mattancheri in connection with the recently apprehended outbreak of plague.

Pension and Gratuity.—To meet the actual claims under service pensions and compassionate gratuity to the heirs of the Government servants dying in harness it is anticipated that a sum of Rs. '33 lakh, more would be required in the revised estimate over the budget estimate of Rs. 3'81 lakhs.

Public Works.—There is an increase of Rs. 1'22 lakhs in the revised estimate. This is mainly due to the additional allotments sanctioned for the works of the Guest House at Ernakulam and the Training Institution Buildings at Ramavarmapuram.

Interest.—The increase of Rs. 16,200 noticed in the revised estimate is on account of arrear interest paid on 5% and 3½% Loans.

Miscellaneous.—The revised estimate is framed at Rs. 1'14 lakhs against Rs. '71 lakh in the budget estimate. The increase is chiefly under 'Political Expenditure'. Under 'Subscriptions and Donations' there is an increase of Rs. '08 lakh, under "Entertainment of State Visitors" Rs. '05 lakh and under "other charges" Rs. '27 lakh on account of the expenses connected with His Highness' Birthday celebration and the Madras tour.

Against these increases, 'Medical' anticipates savings to the extent of Rs. '20 lakh out of the budget estimate of Rs. 5'02 lakhs mainly due to the non-utilisation of the full provision for radium treatment. The savings of '10 lakh expected under 'Agriculture' is only apparent since it is due to the transfer of the provision for Rural Development to a new head of account.

BUDGET ESTIMATE OF 1114.

11. A surplus of Rs. 3'40 lakhs is anticipated during the next year as against a surplus of Rs. 1'81 lakhs anticipated in the

budget estimate and a deficit of Rs. 2.71 lakhs expected according to the revised estimates of the current year as detailed below.—

(Rupees in lakhs.)

	Budget estimate 1113 (1)	Revised estimate 1113 (2)	Budget estimate 1114 (3)	Difference between columns 2 and 3
Total Revenue ..	Rs. 100.58	Rs. 98.64	Rs. 104.87	6.23
Total expenditure ..	98.77	101.35	101.47	.12
Surplus or deficit ..	1.81	—2.71	3.40	..

REVENUE:

12. As compared with the revised estimate, the total revenue shows an improvement of Rs. 6.23 lakhs. The estimates for the next year generally follow the revised estimate for the current year. Increases are noticeable under 'Customs,' 'Interest,' 'Land Revenue,' etc., while there are decreases under Public Works, Income-tax, Railway and Profits from Capital Outlay.

A comparative statement of the estimated revenue of next year with reference to the budget and the revised estimates of the current year is given below.—

(Rupees in lakhs.)

Heads	Budget estimate 1113.	Revised estimate 1113.	Budget estimate 1114.	Difference between 3 and 4	
				Increase	Decrease
1	2	3	4	5	6
	Rs.	Rs.	Rs.	Rs.	Rs.
Land Revenue ..	12.13	12.13	12.18	.05	..
Stamps ..	5.78	5.68	5.75	.07	..
Customs ..	20.00	13.47	23.50	10.03	..
Registration ..	1.03	1.05	1.12	.07	..
Interest ..	1.95	1.47	1.52	.05	..
Public Works ..	3.39	3.49	3.35	..	.14
Income-tax ..	3.55	6.60	6.25	..	.35
Railway ..	18.00	16.71	16.60	..	.11
Profits from Capital Outlay ..	.78	4.13	.79	..	3.34

Important variations or points requiring explanation are detailed below.

Land Revenue.—The increase of Rs. '05 lakh expected over the budget estimate is mainly due to the enhanced income expected from Fisheries.

Stamps.—Based more or less on the actuals of 1112 an increase in revenue is anticipated under Sale of Stamps.

Customs.—The revenue anticipated is that for 1937—38 which, when received in the current year will be kept in suspense account and given credit to only in the next year. This is done because otherwise there may be years in which sometimes no customs revenue is received at all while at other times the aggregate of two years' customs revenue will be receipted. Such haphazard receipts under 'Customs' is sure to lead to violent fluctuations in the budgetary position of particular years and it is to avoid this that the years 'Customs' receipt is placed under suspense account to be credited to the next year's budget. Rs. 23.50 lakhs is expected under 'Customs' next year as against Rs. 13.47 lakhs under the revised estimate of the current year. The difference is due to the fact that on representations from the Cochin Government the Government of India have agreed to consider duty on petrol imported from Burma, after the separation of that country from India, through the Cochin Harbour as revenue under 'Customs' to be treated under the Cochin Harbour Agreement.

Registration.—On account of the enhancement of registration fee in a few cases it is anticipated that the income from 'Registration' would rise by about Rs. '07 lakh as compared with the revised estimate of Rs. 1.05 lakhs.

Public Works.—The special incidents which brought about increase in the revised estimate like the sale of unused materials are not expected in the coming year and hence an estimate of Rs. 3.35 lakhs only is made for the coming year as against the revised estimate of Rs. 3.49 lakhs.

Income Tax.—It was the assessment for two years on certain classes of income which had escaped assessment till now that brought about the abnormal increase of Rs. 3.05 lakhs in the revised estimate. The budget estimate of next year is in excess of that of the current year by Rs. 2.70 lakhs of which the increase of Rs. 1 lakh will be from the 'supertax' collection for which a bill is being introduced.

Interest.—The decrease of Rs. 48 lakh from the current year's budget estimate is due to the withdrawal of investments for meeting the increased expenditure under 'Capital works'.

Profits from Capital Outlay.—As has been explained already when dealing with the revised estimates it was the royalty of Rs. 3.37 lakhs on the Reclamation lands that brought about the increase in 1113. Since this is not a recurring item of revenue there is a fall of Rs. 3.34 lakhs under this head as compared with the revised estimate of Rs. 4.13.

EXPENDITURE.

13. The programme of expenditure for next year provides for a total outlay of Rs. 101.47 lakhs as against Rs. 101.35 lakhs in the revised estimate.

A comparative statement of estimated expenditure for the next year (1114) with reference to the Budget and Revised estimates for the current year is given below.—

[Rupees in lakhs.]

Heads	Budget estimate 1113 Rs.	Revised estimate 1113 Rs.	Budget estimate 1114 Rs.	Difference between 3 and 4	
				Increase Rs.	Decrease Rs.
I	2	3	4	5	6
1. Land Revenue ..	3.07	3.06	3.10	.04	...
2. Agriculture ..	1.60	1.50	1.60	.10	...
3. Panchayats ..	2.14	2.13	1.97	...	.16
4. Co-operative ..	.22	.22	.25	.03	..
5. Palace ..	6.95	6.95	6.95	..	...
6. Subsidy ..	2.00	2.00	2.00	..	..
7. Excise ..	1.24	1.21	1.24	.03	..
8. Matches ..	1.40	1.44	1.25	..	.19
9. Stamps ..	.44	.44	.31	..	.13
10. Customs ..	.82	.83	.78	..	.05
11. Forests and Tramway ..	3.42	3.51	3.45	..	.06
12. Registration ..	.95	.95	.92	..	.03
13. Anchal ..	.90	.89	.77	..	.12
14. General Administration ..	1.87	1.94	2.14	.20	...

[Rupees in lakhs.]

Heads	Budget estimate 1113 Rs.	Revised estimate 1113 Rs.	Budget estimate 1114 Rs.	Difference between 3 and 4	
				Increase Rs.	Decrease Rs.
1	2	3	4	5	6
15. Accounts & Finance ..	'62	'69	'66	..	'03
16. Law & Justice ..	2'95	2'98	2'96	..	'02
17. Jails ...	'30	'34	'32	..	'02
18. Police ..	2'27	2'25	2'36	'11	..
19. Education ...	18'67	18'67	19'35	'68	..
20. Religious ..	'30	'33	'30	..	'03
21. Charities ..	'49	'50	'51	'01	..
22. Medical ..	5'02	4'82	5'50	'68	..
23. Ayurveda ...	'18	'18	'37	'19	..
24. Public Health ..	1'46	1'56	1'50	..	'06
25. Pension and Gratuity ..	3'81	4'14	3'83	..	'31
26. Stationery and Printing ..	1'58	1'58	1'68	'10	..
27. Military ..	1'12	1'11	1'17	'06	..
28. Public Works ..	11'68	12'89	11'30	..	1'59
29. Interest ..	4'80	4'96	5'25	'29	..
30. Scientific &c. Department ..	'23	'21	'20	..	'01
31. Industries ..	1'05	'97	1'04	'07	..
32. Rural Development ..	..	'17	'18	'01	..
33. Railway ...	12'00	11'98	12'23	'25	..
34. Uplift of the Depressed Classes ..	'68	'67	'71	'04	..
35. State Conveyance ..	'64	'65	'70	'05	..
36. Income-tax ..	'44	'74	'74	..	..
37. Miscellaneous ..	'71	1'14	1'16	'02	..
38. Sinking Fund ..	'75	'75	'75	..	..

Reductions have been made wherever possible to ensure strict economy providing at the same time for reasonable requirements of the various departments with due regard to the resources of the State.

General.—The usual leave allowance of 5% for non-vacation departments and of 2½% for vacation departments was curtailed by half in budgetting for the current year. Experience has shown that this reduction has made the provision for leave allowance quite inadequate and hence the usual rate is restored in the 1114 budget.

Again, ever since 1107 the practice of debiting to 'Stationery and Printing', the expenditure for the supply of Stationery and Printed forms was stopped and a fixed sum was being allotted for the purpose to each head of Department, himself being made to keep within it. Experience has shown that the system has not achieved the economy hoped for. Enforcement of rules cannot exercise any effective check in this matter and it is therefore proposed to stop from 1st Chingam 1114 the cumbrous process of adjustments necessitated by the account of debits and credits under 'Stationery'. Hence no provision is made for 'Stationery' for any department.

Land Revenue.—Provision is made for advanced survey training of a candidate because the Officer who returned after training resigned. Provision is also made for the training of a few clerks in survey and accounts. An attender has also been provided for to the Diwan Peishkar's Office.

As a measure of retrenchment the villages of Pothundy and Vallangy in the Chittur Taluk were amalgamated abolishing the posts of a Parvathiam and a Masapidi.

A liberal provision of Rs. 1,500 has been made for supply of furniture to all the Village Offices and Taluk Offices.

Agriculture.—The Budget estimate for 1114 has been fixed at Rs. 1.60 lakhs. The lump sum provision originally made in the 1113 budget for Rural Reconstruction has been transferred to a new major head. Provision has been made in the Agriculture budget for a special grant of Rs. 5,000 for Rural Reconstruction. Provision has also been made for completing the marketing survey on cashewnuts and also for undertaking a survey of fish marketing. Increased provisions are made under 'Cattle Breeding' and under 'Veterinary—cost of medicines'.

Co-operative.—Besides the usual provision for the normal activities of the Co-operative Department, a provision of Rs. 2,500 is made as special contribution for rural development.

The appointment of the Poultry Inspector is continued for next year. It is also proposed to appoint a Liquidation Inspector on Rs. 40—60 with a view to attending to liquidation of societies alone.

Palace.—According to the revised Palace scheme the contribution to the Palace had been fixed at Rs. 7.50 lakhs; but only a contribution of Rs. 6.95 lakhs has hitherto been made owing to paucity of funds, the contribution of Rs. .55 lakh towards the reserve fund not being paid. It is proposed to suspend the payment of the reserve fund for the coming year also in view of the existing financial commitments of the State.

Excise.—The budget estimate has been fixed at Rs. 1.21 lakhs against the budget and revised estimates of Rs. 1.24 lakhs and Rs. 1.21 lakhs for 1113. The slight increase over the revised estimate is the excess provision under leave allowance required for the leave of officers retiring in the course of 1114. The new range opened at Ooragam as an experimental measure with a Sub-Inspector and 3 peons is proposed to be continued. A few preventive posts have been opened with the necessary staff.

Matches.—The budget estimate shows a decrease of Rs. .19 lakh from the current year's revised estimate of Rs. 1.44 lakhs. The decrease is mainly due to the cancellation of the licenses of three match factories thereby reducing the strength of the Matches establishment and also due to the reduced amount of contribution payable to the Government of India.

Stamps.—The Budget estimate anticipates a saving of nearly Rs. .13 lakh as compared with the revised estimate of Rs. .44 lakh mainly due to the considerable reduction in the manufacturing charges of stamps and stamp papers as a result of the new arrangement that has been made for the manufacture of stamps.

Forests and Tramway.—The budget estimate of the Forest department, viz. Rs. 2.58 lakhs closely follows the current year's revised estimate of Rs. 2.55 lakhs, the slight increase noticed being the result of increased provision under leave allowance and under transport charges of timber from areas other than those served by Tramway. The budget estimate of the Tramway department for 1114 has been fixed at Rs. .88 lakh against Rs. .96 lakh in the revised estimate of 1113. Owing to retrenchments effected as a result of the amalgamation of the department with the Forest department, savings have resulted by the reduction of the pay of Engineer, abolition

of the post of Assistant Engineer and of certain clerks. Provision has, however, been made for an expenditure of Rs. 12 lakh under 'Capital' towards the overhauling of rolling stock, etc.

Registration.—The posts of three District Registrars on Rs. 60-80 have been abolished as a measure of re-trenchment, but this is done only as an experimental measure till the end of 1114 and hence the posts have not been deleted. The posts of 3 peons which have been abolished are shown as supernumerary.

The term of the temporary Registry Office at Narakkal is proposed to be extended for another year, as judged from the work turned out by the office, there is justification even for making it permanent. A temporary clerk on Rs. 25-30 has also been sanctioned for Nemmara; his services are required as that office is put in charge of a head clerk.

Though provision was being made for the last 2 years for issuing a revised Registration Manual the work has not hitherto been completed and hence a provision of Rs. 800 is made for the purpose under 'Miscellaneous'. The work is being arranged to be finished positively in the coming year.

Anchal.—The budget estimate for 1114 has been fixed at Rs. 77 lakh against Rs. 89 lakh in the revised estimates of the current year. The chief features of the budget proposals are:—

- (i) continuance of the amalgamation of the department with the Registration department,
- (ii) introduction of bus mail service on five more new lines with the resultant abolition of a few posts of runners,
- (iii) strengthening of the establishment of Anchai by 14 Anchalmen to render wider and prompter service to rural areas;
- and (iv) discontinuance of payment of commission on the sale of stamps.

Considerable savings are also anticipated by having the Anchal stamps printed in India instead of in Europe.

General Administration.—As against the revised estimate of Rs. 194 lakhs, the budget estimate is fixed at Rs. 214 lakhs. The main heads responsible for the increase is the 'Secretariat, chiefly due to the provision for the salary and travelling allowance of the Rural Development Minister, lump provision for strengthening the Law department of the Secretariat, etc.'

Law and Justice.—The Debt Conciliation Board is proposed to be continued for another year and provision is made therefor.

Police.—The budget estimate for 1114 is fixed at Rs. 2.36 lakhs against Rs. 2.25 lakhs in the current year's revised estimate. The various provisions more or less follow those of the revised estimate, slight increases being noticeable under 'Establishment' due to increased provision of leave allowance and under 'Rewards'. The Temporary establishment of the Harbour Police is proposed to be continued in the ensuing year also. The staff sanctioned for the Harbour Police Motor launch in the course of 1113 is proposed to be confirmed from 1st Chingam 1114.

Education.—The expenditure on 'Education' for the coming year is proposed to be fixed at Rs. 19.35 lakhs as against Rs. 18.67 lakhs in the revised estimate of the current year, thus showing an increase of Rs. .68 lakh. This is mainly due to the enhanced provision of Rs. .49 lakh for payment of grant to aided classes opened in 1110 and 1111, payment of which was under consideration. Special grants of Rs. 1,000 each to the Sacred Heart Convent School at Chalakkudi, to the St. Joseph's Convent School at Trichur and to the Deaf and Dumb School at Kunnamkulam are also provided for. Some of the other important features requiring mention are:—

(i) the abolition of two posts of Assistant Professors on Rs. 80—200 in the Maharaja's College, as a measure of retrenchment,

(ii) the abolition of posts of one of the Pandits in the Maharaja's College and the revision of pay of the other Pandits,

(iii) creation of the post of an Assistant Professor on Rs. 80—200 for the Language Group,

and (iv) creation of a Logic Lecturer's post on Rs. 50—80.

Medical.—As against the revised estimate of Rs. 4.82 lakhs the budget estimate provides for an increase of .68 lakh, of which Rs. 25,000 is for the donation to the Anti-tuberculosis fund and Rs. 16,000 for radium treatment. Enhanced provisions have also been made under 'cost of medicines' 'bedding and clothing' and 'dietary' charges. The provision for Dental Surgery at Hospitals at Ernakulam and Trichur also accounts for increase of expenditure under this head.

Ayurveda.—The expenditure which was being incurred hitherto for Panchayat Vaidyasalas is now brought under this head as the charge falls more appropriately under this major head. Out of the provision of Rs. 37 lakh a sum of Rs. 17 lakh represents the expenditure on account of Panchayat Ayurvedic Vaidyasalas. The budget proposals more or less follow those of the current year with an increased provision of Rs. 02 lakh under 'cost of medicines'. The opening of a small sales depot as an experimental measure is also under consideration.

Interest.—The budget estimate for 1114 (Rs. 5.25 lakhs) anticipates an increase of Rs. 29 lakh over the revised estimate of Rs. 4.96 lakhs mainly due to the payment of interest on Provident Fund balances now merged in the general balance.

Industries.—Besides provision for the normal activities of the department, provision has been made for a contribution of Rs. 5,000 for the rural reconstruction, Rs. 3,500 towards developing of coir industry and Rs. 200 for subsidising minor industries.

Rural Development.—A new major head has been opened to exhibit the activities of this new department. This departmental budget mostly represents the expenditure on the Rural Reconstruction Centre opened near Ollur. The Centre is proposed to be fully equipped so as to serve as a model in rural reconstruction activities. The several detailed heads and the provisions thereunder are self-explanatory. The special grants allotted in the other departmental budgets towards Rural Development do not come in this budget. Definite schemes will be initiated in due course with regard to these grants.

Railway.—An increase of about Rs. 25 lakh noticed over the revised estimate is to meet the increased maintenance charges that may be payable to the Company, as intimated by them.

Uplift.—The temporary Co-operative Inspector and peon are continued. Enhanced provisions have been made under 'stipends,' 'water supply' and 'development of colonies'.

Income-Tax.—The budget estimate of Rs. 74 lakh almost closely follows the revised estimate of the current year. The temporary establishment of surveyor and clerk is proposed to be continued for the next year also to cope with the increased activities of the department.

Miscellaneous.—The provision made for 1114 is Rs. 1.16 lakhs against Rs. 1.14 lakhs in the current year's revised estimate. Under Ernakulam Guest House provision has been made for the appointment of a Superintendent on Rs. 150 to be in charge of the new Guest House which is nearing completion. Also the usual provisions are made for subscriptions and donations, entertainment of State Guests, etc.

14. Assets and Liabilities.—At the beginning of 1113 the total net assets of the State (excluding all liabilities) stood at Rs. 106.21 lakhs the gross assets amounting to Rs. 237.05 lakhs and the liabilities amounting to Rs. 130.84 lakhs. In the Administration Report for the year 1112, however, the total assets were noted as Rs. 259.54 lakhs due to the fact that a sum of Rs. 22.49 lakhs included already under 'Investments' and other 'Securities' under Assets was again shown under a separate head 'Revenue Surplus'. Since this is a double credit, the sum of Rs. 22.49 lakhs has not now been included and only the correct figure of Rs. 237.05 lakhs is exhibited in the statement of assets and liabilities.

According to the Revised Estimate of 1113 the net assets are expected to be Rs. 103.51 lakhs while at the end of 1114 it is anticipated that it would amount to Rs. 106.91 lakhs.

15. The following is a list of items of expenditure which have been newly provided for in the budget estimate of 1114 and which are not in continuation of the existing temporary schemes in the various Departments.

Serial No.	Item	Provi- sion Rs.
1. Land Revenue.		
1	Attender for Diwan Peishkar's Office	220
2	Advanced Survey Training	1,300
3	Survey training of clerks	610
4	Account training for clerks	260
2. Agriculture.		
5	Two gardeners	264
6	Contribution for Rural Development	5,000
7	Bull keeper	168
8	Marketing survey on Cashew-nuts and fish	900

Serial No.	Item	Provi- sion Rs.
	4. Co-operative.	
9	Liquidation Inspector ...	480
10	Contribution for Rural Development ..	2,500
	7. Excise.	
11	8 Peons for frontier out-posts ...	836
	13. Anchal.	
12	Anchalmen (14)	
13	Opening of branch Anchal Offices at Manalur, Maradu, Keecheri and Ammadam } ...	2,244
	14. General Administration.—Huzur.	
14	Lump provision for Law Department ..	1,890
	15. Accounts and Finance.	
15	Auditor (4 months) for revision of the Account Code ...	
	19. Education.	
16	Lump provision for aiding classes opened in 1110 and 1111 ...	100
17	Contribution to the School for Deaf and Dumb at Kunnamkulam ...	49,000
18	Special grants to the Sacred Heart Convent Schools at Chalakkudi and Trichur ...	1,000
	22. Medical.	
19	Donation to Anti-Tuberculosis Fund ..	25,000
20	Provision for introduction of Radium Treatment ...	16,000
21	Two Dental Assistant Surgeons and Attendants ...	3,400
22	Nine Additional Nurses ...	1,980
23	Additional clerk to Civil Hospital, Trichur ...	175
	24. Public Health.	
24	Clerk for drafting of Public Health Code ..	75
25	Contribution for Rural Development .	5,000
	27. Military.	
26	Supply of ceremonial uniforms ...	3,000
	34. Uplift Department.	
27	Contribution for Rural Development ...	2,500
	32. Industries.	
28	Contribution for Rural Development ...	5,000
29	Development of Coir Industry ...	3,500
30	Subsidy under the State Aid to Industries Act .	200
	36. State Conveyance.	
31	Purchase of Cars ...	15,000
	37. Miscellaneous.	
32	Superintendent for the Ernakulam Government House ..	1,575

Camp,
Ernakulam,
3rd July 1938.
19th Mithunam 1113.

RAMA VARMHA TAMPURAN,

Finance Member.

APPENDIX.
(to the Memorandum).
CHANGES IN CLASSIFICATION.

1114.

RECEIPT SIDE.

I. Agriculture.— A new detailed head "(8) Receipt on account of rural reconstruction" has been opened for exhibiting the receipts indicated by the detailed head. This is being exhibited as a major head from 1114.

VII. Abkari and Ganja.—Under "VII. Abkari and Ganja —A. Abkari" a new detailed head "(8) Receipts on account of the supervision of the Matches Establishment" has been opened.

XXVII. Profits from Capital Outlay other than Railway.—Two new detailed heads "(c) Receipts on account of Mattancheri water supply" and "(e) Landing charges collected on account of Shanmukham Canal" have been opened for exhibiting the receipts indicated by the detailed heads. The detailed head "(c) Nemmara Electrification" was renumbered as (d).

XXXI. Miscellaneous.—A new detailed head "18—Contribution towards leave and pension on account of Matches Establishment" has been opened.

XXXV. Deposits.—A new detailed head "1 (e) Deposits by Provident Insurance Societies" has been opened for exhibiting the Deposits made by the Provident Insurance Societies.

XXXVI. Advances Repayable.— Under (h) Palace Advances, instead of the existing head "Palace Advances" two detailed heads have been opened as follows:—

(h) Palace Advances.

(i) For construction of Palaces.

(ii) For electrification of Palaces.

A new detailed head "f (i) Other Agriculture Department Advances" has been opened for exhibiting the transactions connected with the purchase of Scindhi cows, etc.

Under "a (d) Stoneware Factory Advances" a new detailed head "(iii) Loss on account of Stoneware Factory recouped by Government" has been opened.

The following detailed heads have also been opened under "Advances."

1. Land Mortgage Bank Suspense account.
2. Loan for the relief of loss caused by the fire accident at Ernakulam.
3. Advances for Chittur Electrification.
4. Ernakulam Town Improvement.

DISBURSEMENT SIDE.

2. **Agriculture.**—With the opening of rural reconstruction centre the necessary detailed heads of account have been opened under "A-Agriculture proper (1) Agriculture (9) Rural Reconstruction". This is shown as a major head from 1114.

8. **Matches.**—The following detailed heads have been opened under "A. Recurring charges".

- (8) Contribution towards leave, pension and supervision.
- (9) Stationery.
- (10) Printed forms.

16. **Law and Justice.**—B. Civil Justice.

6. Debt Conciliation Board.

The following detailed heads have been opened under 'Debt Conciliation Board.'

- (a) Establishment.
- (b) T. A.
- (c) Contingencies.

22. **Medical.**—A new detailed head "K,—Honorarium to the Honorary Medical Officers" has been opened under "Medical Proper—allowances", to exhibit the charges thereof.

27. **Military (2) State Band.**—The detailed head '(f) Rents, etc.', was deleted and a new head "(c) House Rent allowance" was opened.

29. **Interest.**—The following detailed heads were newly opened.—

- (4) Interest on deposits by Provident Insurance Societies.
- (5) Interest for payment to Palace Provident Fund Subscribers.

30. **Scientific, etc., Department.**—The detailed heads "Service labels" and "Postage" under 5 Archaeology were clubbed together as "Service labels and Postage".

31. **Industries.**—The name of the minor head "A. Industries Department" was changed into "A. Direction and Inspection."

39. **Capital Outlay.**—The detailed head "IVth Stage works" under "Harbour" was deleted and a new detailed head "Vypeen Foreshore works" was opened. The detailed head "(f) Dredging Plant" under Harbour was also deleted. Instead of a single head "Electrical works" already existing, two heads were opened as follows:—

(a) Nemmara Electrical Works.

(b) Chittur Electrical Works.

42. **Deposits**—A new detailed head "1 (e) Deposits by Provident Insurance Societies" has been opened.

43. **Advances Repayable.**—A new detailed head "f (1) other Agriculture Department advances" has been opened for exhibiting, at present the transactions connected with the purchase of Scindhi Cows.

Under "(h) Palace Advances" in lieu of the existing head "Palace Advances" two heads have been opened as follows:—

(h) Palace Advances.

(i) For construction of Palaces.

(ii) For electrification of Palaces.

Under "a (f) Advances to Stoneware Factory" the existing head "(c) Depreciation" was deleted and a new detailed head "(c) Profit on account of Stoneware Factory transferred" was opened.

The following detailed heads have also been opened under "Advances".

1. Land Mortgage Bank suspense account.

2. Loan for the relief of loss caused by the fire accident at Ernakulam.

3. Advances for Chittur Electrification.

4. Ernakulam Town Improvement.